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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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21 April 1967
No. 0286/67

State Dept. review completed

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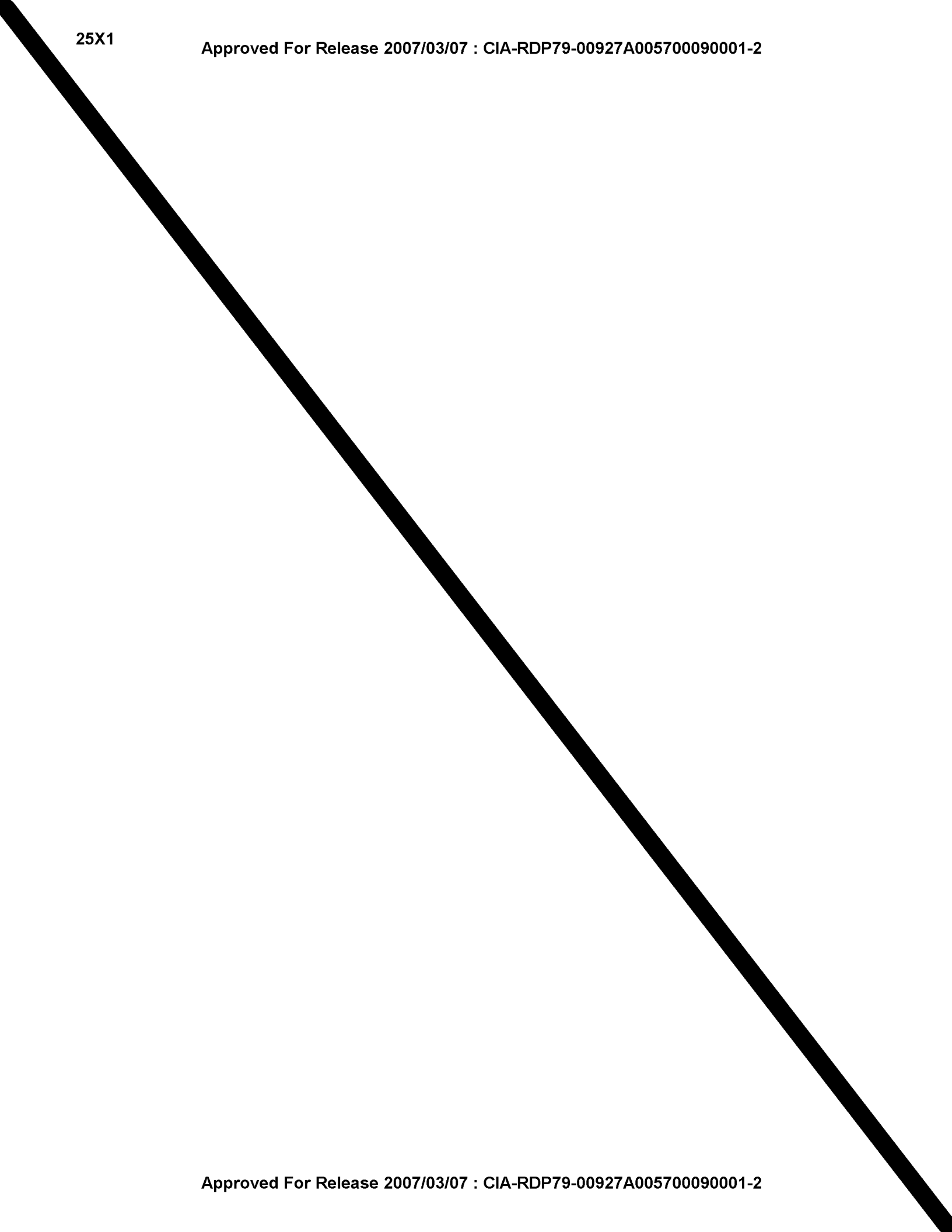

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Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

C O N T E N T S

(Information as of noon EST, 20 April 1967)

Far East

	Page
THE WEEK IN PERSPECTIVE	1
VIETNAM The Communists are maintaining their military pressure in South Vietnam's northern provinces, and prisoners and defectors continue to provide details of plans for summer offensives in this area. Saigon, meanwhile, has finally launched a "National Reconciliation" program which it hopes will encourage more high-level Viet Cong officers to defect.	2
NEW FACTIONALISM IN PEKING Extremist leaders around Mao Tse-tung and Lin Piao appear again to be struggling with moderate forces led by Chou En-lai, with many of Chou's protegés coming under poster attack.	5
[redacted]	25X1
BURMA'S ECONOMIC DECLINE MAY BRING APPROACH TO WEST Sharply falling exports may oblige General Ne Win to retreat from his doctrinaire policies and seek Western economic assistance.	8
THAI INSURGENTS REACTING TO INCREASED GOVERNMENT PRESSURES The gradual increase in assassinations and in armed clashes with government forces appears to be largely in response to Bangkok's intensified counterinsurgency programs.	9
LEFTIST GOVERNOR ELECTED IN TOKYO Ryokichi Minobe's victory on 15 April provides a minor setback to Prime Minister Sato's prestige and boosts the stock of the extremists who lead the Japan Socialist Party.	10

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Europe

THE WEEK IN PERSPECTIVE 11

EURATOM DEBATES NPT SAFEGUARDS 12
Its position on provisions of the draft treaty has become crucial to the success of the current effort to prevent the spread of nuclear weapons.

SOVIET INDUSTRIAL GROWTH REGISTERS UPTURN IN FIRST QUARTER 13
Current estimates indicate a growth rate greater than that registered in any previous quarter in almost two years.

HUNGARIAN REGIME SHIFTS PERSONNEL 17
The shake-up, the most sweeping since 1961, was made to prepare for the regime's reform program.

Middle East - Africa

THE WEEK IN PERSPECTIVE 19

COUP ATTEMPT IN GHANA CRUSHED 20
The governing National Liberation Council (NLC) is back in firm control after the coup attempt against it on 17 April failed, but the image of national stability imparted by the NLC has been seriously damaged.

INDIAN CONGRESS PARTY GOVERNMENT ROCKS ALONG 21
Few political observers expect Prime Minister Gandhi's government to last out its full five-year term, but to date her party's slim majority in Parliament remains intact, and its problems at the state level have eased somewhat.

GREECE GETS SET FOR NEW ELECTIONS 22
With Prime Minister Kanellopoulos' decision to dissolve Parliament and hold new elections on 28 May, Greece enters a period of political campaigning during which the position of the King will be a major issue.

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Western Hemisphere

THE WEEK IN PERSPECTIVE 23

POLITICAL SPOTLIGHT SHIFTS IN ECUADOR 24
President Arosemena's actions at the summit conference have received enthusiastic national acclaim and have temporarily diverted attention from continuing domestic problems.

PANAMANIAN REACTION TO JOHNSON-ROBLES TALKS 25
Panamanians are pleased with the results of their talks with President Johnson at Punta del Este about canal negotiations. Although President Robles has probably gained political mileage from the meeting, he will be hard pressed to keep the negotiations out of the political arena as campaigning for the 1968 elections picks up.

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United Nations

SPECIAL SESSION OF UN GENERAL ASSEMBLY CONVENED 27
It is unlikely to make much progress on either of the major items on the agenda--South-West Africa and peacekeeping procedures.

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

FAR EAST

The Mao-Lin faction appears to have gained at least a temporary advantage in China's leadership struggle. This is reflected in the reversal of policies designed to restore order and discipline which were put into effect in February.

Chou En-lai's first direct attack on Liu Shao-chi and Teng Hsiao-ping suggests that the agile premier judged it expedient to adjust to the new situation which resulted from high-level meetings last month. Chou has also failed to defend his protegés in key government positions who now are under heavy attack by Red Guard militants.

The Maoists apparently are making a major effort to remove leading military figures both in Peking and in the provinces who took the lead in subduing unruly pro-Mao forces in February. This drive is also evident in charges that two members of the Military Affairs Committee and Foreign Minister Chen Yi have opposed Lin Piao.

There were no major military engagements in the Vietnam war last week. However, Communist pressures against South Vietnam's Revolutionary Development program remain heavy in the northern provinces. These attacks have damaged the morale of Revolutionary Development teams and have increased desertions and absenteeism in this area.

The steady decline of Burma's economy over the past several years has accelerated in recent months. General Ne Win may be obliged to modify his doctrinaire "Burmese Way to Socialism" and seek foreign economic assistance. Failure to show some progress in reviving the nation's moribund economy could erode the support of the armed forces on which Ne Win's authority depends.

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Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

VIETNAM

Although the tempo of military operations has been relatively low during the past week, there continue to be indications that North Vietnamese regulars plan a major "summer offensive" in South Vietnam's northernmost provinces. Following up their heavy raids of 5-6 April against the capital of Quang Tri Province, the Communists on 13 April again struck Quang Tri city with mortar fire and destroyed or damaged several bridges along the coastal highway which is the main land route for supplies from Da Nang to allied forces near the Demilitarized Zone (DMZ).

The Communists are also maintaining heavy pressures against the Revolutionary Development (RD) program in the I Corps area. In Thua Thien Province an attack against three RD teams and a Province Reconnaissance Unit on 17 April killed 16 and wounded 19. Of the more than 200 incidents targeted against RD workers throughout South Vietnam since 1 January, over 100 have taken place in I Corps.

Additional information on Communist plans in the northern provinces was obtained last week from further interrogation of a [redacted] who was captured last month near the DMZ. He stated that with the onset of the dry season around April, his regiment was to be reinforced to participate in "division and multidivision sized" attacks in Quang Tri and Thua Thien. The prisoner added that the 324B NVA Division would also be conducting regimental and larger attacks against forces in Quang Tri from a staging area near the province's border with Laos. 25X1 25X1

In the southern part of I Corps, the Thien Phuoc district headquarters and nearby Special Forces camp, in Quang Tin Province, have been cited [redacted] as among the main targets of the Viet Cong summer campaign. 25X1 25X1

Farther south, in the western highlands, Communist forces remain deployed in a wide pattern, apparently in an effort to tie down allied troops while avoiding large-scale contact. Most of the enemy-initiated incidents in this area have been mortar attacks, mining of roads, and harassing fire.

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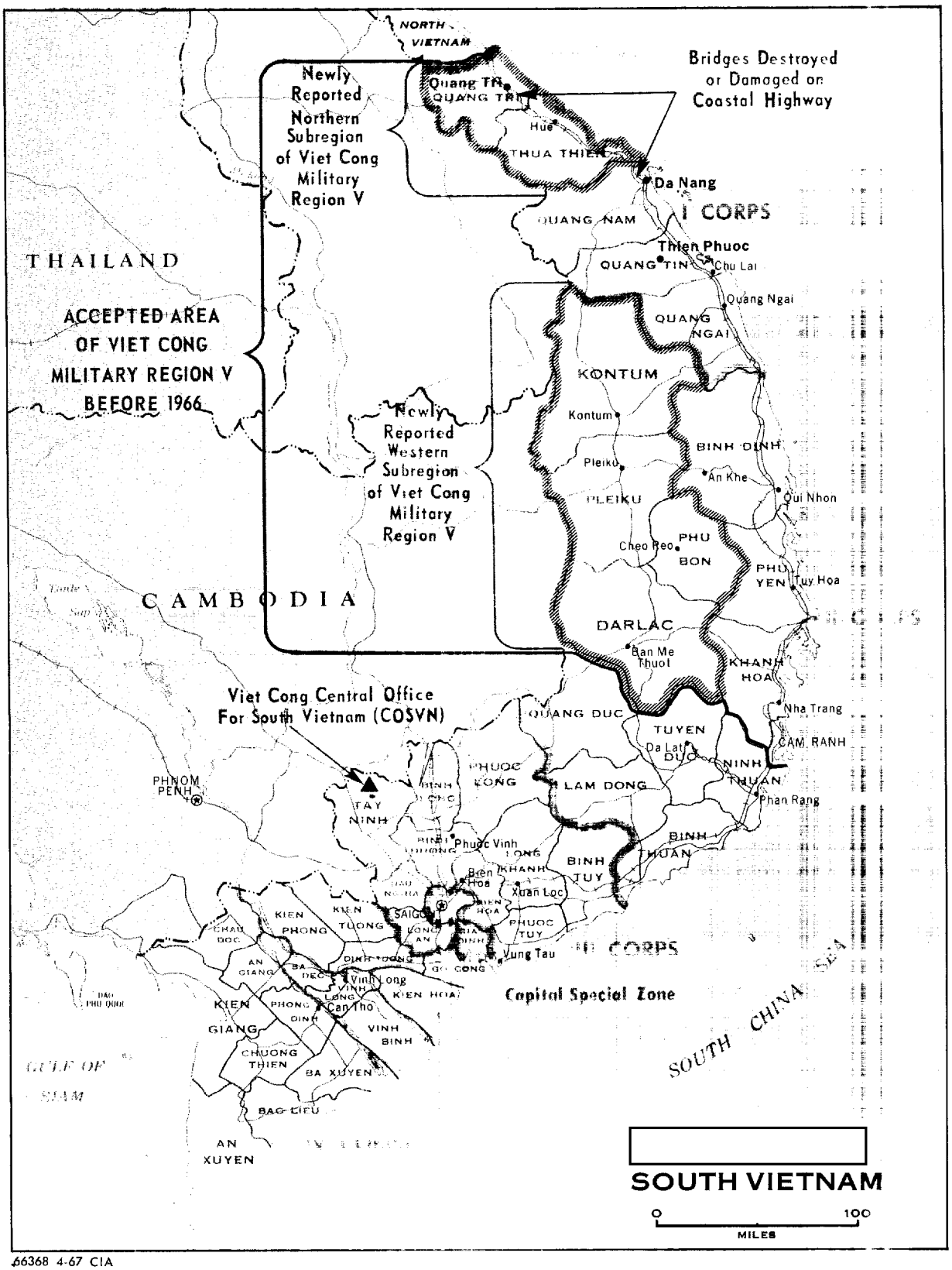

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Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Hanoi Extends Control Over Viet Cong's Northern Command

An increasing number of knowledgeable defectors as well as captured documents indicate the extent to which Hanoi has assumed direct control over military operations in the provinces comprising the northern half of South Vietnam--generally known as Viet Cong Military Region V. Hanoi's gradual assumption of greater authority over MR V probably began in mid-1965 with the introduction of regular North Vietnamese units.

A recent high-level defector maintains that, although MR V remains technically subordinate to the Viet Cong's Central Office for South Vietnam (COSVN), since mid-1966 it has merely kept that authority informed of its activities and maintained a direct command link with Hanoi for both operations and logistics. He also stated that two subregions--one in the western highlands and the other embracing the two northernmost provinces of Quang Tri and Thua Thien--were detached from MR V in 1966 and are also directly subordinated to Hanoi.

Saigon's New Lures to Defectors

After several postponements, Premier Ky announced the South Vietnamese Government's new policy of "National Reconciliation" on 19 April.

Although it generally reemphasizes and strengthens the government's "Chieu Hoi" or "open arms" policy, the new program is intended particularly to encourage defections by medium- and high-level Viet Cong officers rather than the rank-and-file elements who have been the principal "ralliers" up to now. To those who leave the Communist side, the program offers full constitutional guarantees of citizenship, including the right to run for office, equal employment opportunities according to individual capabilities, and immunity from prosecution for acts committed while under Viet Cong "coercion." It does not explicity offer comparable positions in the government to Viet Cong leaders, nor does it unequivocally guarantee full immunity from prosecution to all former Viet Cong.

The various delays in the announcement of the National Reconciliation program apparently were caused at least partially by some debate among government leaders as to how far they could realistically go in offering guarantees to the Viet Cong. As they stand now, the principles of the program are flexible enough to allow for some latitude in practice.

[redacted]

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Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

NEW FACTIONALISM IN PEKING

Recent reports from Peking convey the impression that extremist leaders around Mao Tse-tung and Defense Minister Lin Piao are once again locked in struggle with moderate forces led by Premier Chou En-lai, the most level-headed member of the triumvirate.

After the Cultural Revolution had brought the country to the brink of chaos in January, Chou was able to implement a series of policies designed to restore order and discipline and to reassure the army and make it a more responsive instrument of control. These policies, grudgingly supported at the time by Mao and Lin, were reversed at contentious high-level meetings held in March. Vicious Red Guard poster attacks are now being aimed at key government figures--Chou's proteges--and several top military men who are being held responsible for the "adverse current" allegedly created in February.

A major effort may be under way to remove military commanders both in Peking and the provinces who vigorously implemented the February directives Chou pushed through to restore discipline, even when that meant arresting unruly Red Guards. Among them are two senior officers who until recently worked closely with Mao and Lin but now are being accused of issuing orders in February to army commanders in many localities to suppress pro-Mao leftists. These men, Hsu Hsiang-chien and Yeh Chien-ying, also allegedly opposed Lin Piao at a recent meeting of the party's Military Affairs Committee, with Hsu calling Lin unfit to succeed Mao.

Hsu, who was named head of a special army purge group on 11 January, was reportedly dismissed from that position on 16 April, with the implication that he had used the post to dampen the purge. He is charged with blocking attempts by Mao's wife--adviser to the purge group--to find out what the group was doing and with covering up for the mistakes of a deputy head of the group.

Chou En-lai's authority has been further weakened by the steady drumfire of poster attacks and demonstrations against men who work for him. The common thread of the current charges is that they resisted extremist policies desired by Mao and Lin. In the past week a main target has been Chou's protege, Foreign

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Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Minister Chen Yi. Posters have denounced him for opposing Lin and exhibiting an "extremely bad attitude" at a recent central committee meeting. Chen Yi continues to perform ceremonial duties--he appeared at a Syrian Embassy reception on 17 April--but he is clearly in serious trouble.

Chou En-lai continues to be the chief spokesman for the regime, however. He appeared with Mao and Lin Piao at a recent meeting with the North Vietnamese ambassador--Lin's first public appearance since 26 November. Nevertheless, Chou's failure thus far to come to the defense of his proteges suggests that the premier characteristically is adjusting to the latest political current with only his own status in mind.

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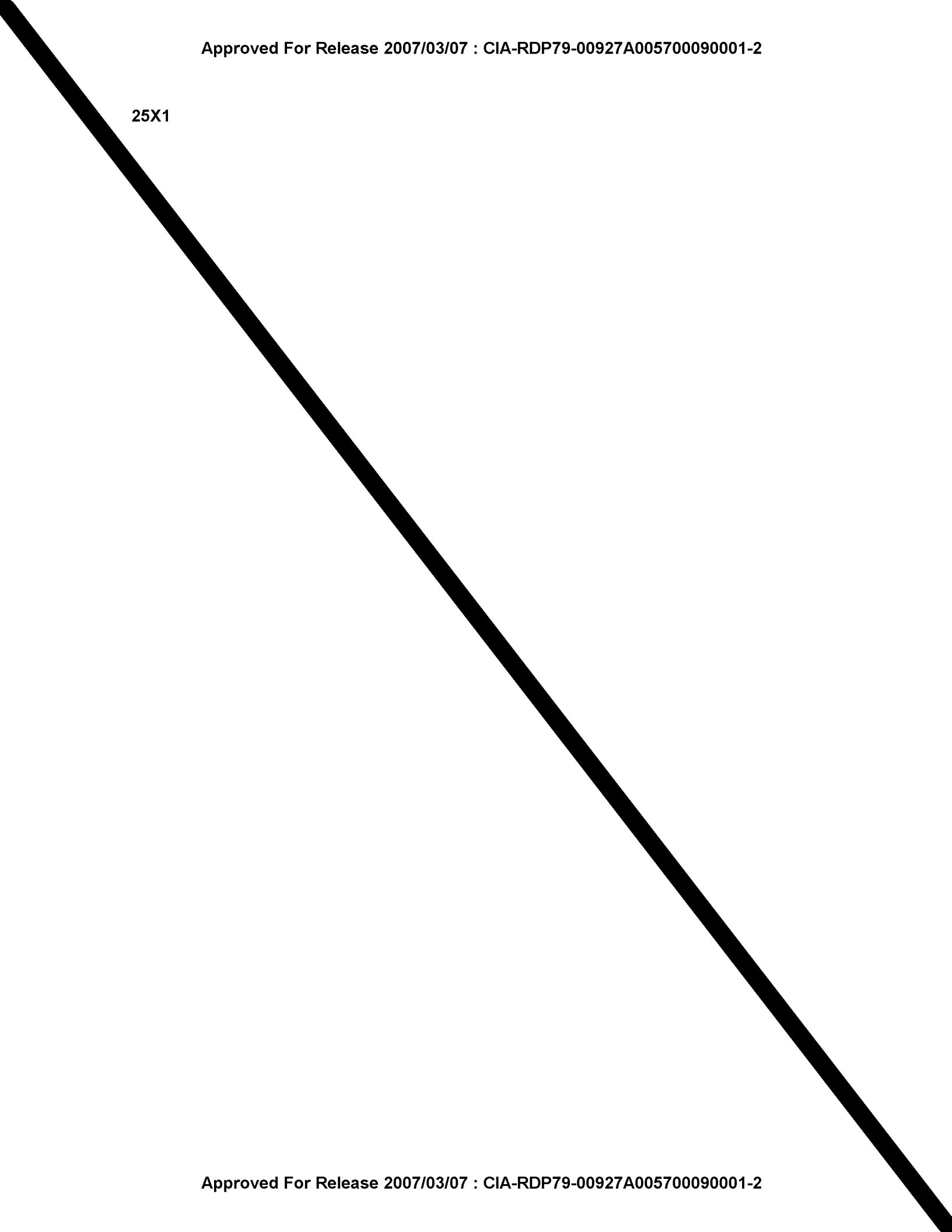

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BURMA'S ECONOMIC DECLINE MAY BRING APPROACH TO WEST

The steady decline of Burma's economy over the past several years has accelerated in recent months. This may force General Ne Win to modify his "Burmese Way to Socialism" and seek Western economic assistance.

A sharp drop in rice exports, which normally account for 70 percent of Burma's foreign exchange earnings, has accelerated the downward trend. The trouble comes mainly from failure of the regime's rice procurement program, which, being keyed to artificially low prices, discourages peasants from making their crops available. A government official has estimated that total export earnings this year will not exceed $115 million, a decline of 40 percent from 1966. Increased shortages of imported consumer goods are likely to result as Ne Win tries to keep imports and exports in balance.

Aside from removing controls on a few commodities late last year, Ne Win has done little to modify his drive toward state socialism. There are signs, however, that more fundamental changes may be forthcoming. Recent discussions among the regime's leaders about the nation's economic plight have received unusually extensive coverage in the government-controlled press. Moreover, there are indications that Ne Win has quietly laid the groundwork for the forced retirement of Brigadier Tin Pe, long regarded as the most influential theorist behind the "Burmese Way to Socialism." He now is serving as vice chairman of the ruling Revolutionary Council.

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[redacted]

government officials initiated discussions with US representatives in Rangoon last January about the possible acquisition of substantial amounts of new and relatively sophisticated military equipment.

Unless Ne Win is at least partially successful in reviving the nation's moribund economy, he could conceivably lose the support of the armed forces, which he needs both to maintain his five-year-old regime and to implement his policies.

[redacted]

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Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

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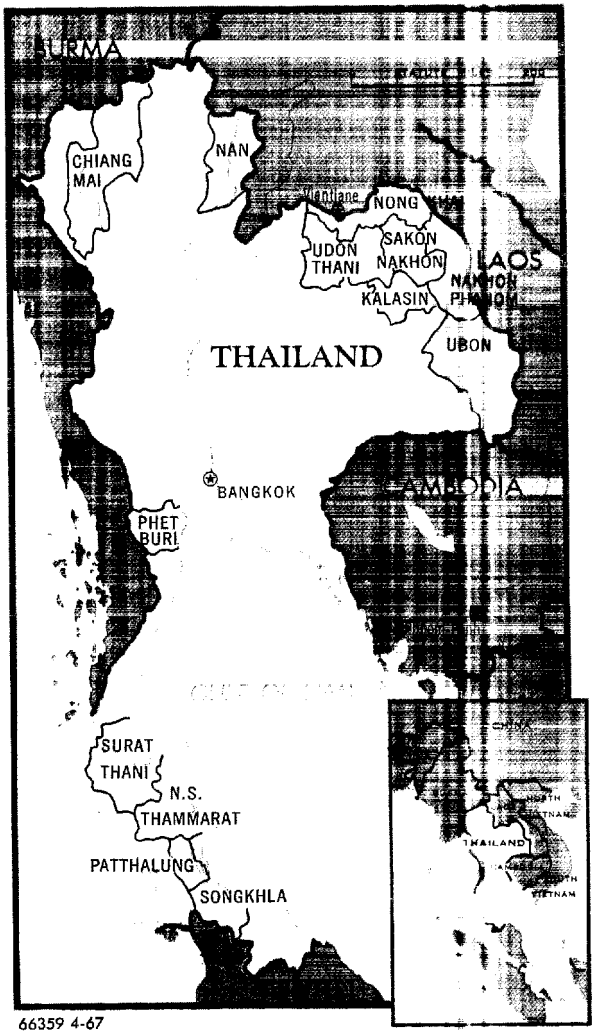
THAI INSURGENTS REACTING TO INCREASED GOVERNMENT PRESSURES

The Thai Government's intensified counterinsurgency activity during the first quarter of 1967 has led the Communist insurgents to offer stiffer armed resistance and to more numerous assassinations of government officials and informants.

The government's comprehensive new counterinsurgency program--initiated in January in key areas of the northeast--is designed to separate selected villages from terrorist influence. The program emphasizes civic development, village security, and patrol activity rather than the usually ineffective large-scale sweeps used last year.

Partly in response to this program the terrorists have carried out some 35 assassinations or attempted assassinations in the northeast in the first quarter of this year (compared with 26 for the preceding quarter) and have maintained a monthly average of 18 armed propaganda meetings. This activity has been concentrated in Nakhon Phanom and Sakon Nakhon provinces, but harassing actions have also increased in Kalasin, Udon Thani, and Nong Khai provinces. There has been a marked decrease in Ubon, however, where the terrorists may have earlier overextended themselves.

At least 105 clashes between government and terrorist forces in the northeast occurred in the quarter just ended, doubling the rate for the preceding quarter. Nakhon Phanom and Sakon Nakhon again bore the brunt, with moderate



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increases in Kalasin and Nong Khai. Large encounters involving 100 or more insurgents were occasionally reported, but most clashes were small, resulting in few, if any, casualties. Throughout the country, 38 government personnel and 58 insurgents were reported killed or wounded during the three-month period.

Northern Thailand has remained relatively stable, although the area's first armed clash occurred in Nan Province in February. In that month the government established its first counterinsurgency operations center in the north in Chiang Mai Province. In five of the isthmus provinces there has been an increase in government-initiated clashes, which now average five a month. Terrorist activity in these provinces remains limited to occasional assassinations.

[redacted] 25X1

Further increases in insurgent activity are likely despite Bangkok's extended suppression efforts, although no dramatic escalation is anticipated. The Communists are believed, however, to have the capability to stage a low-level attack or sabotage effort against one of the large air bases in the northeast. [redacted]

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LEFTIST GOVERNOR ELECTED IN TOKYO

The capture of the governorship of Tokyo by Socialist- and Communist-supported Ryokichi Minobe in the election on 15 April provides a minor setback to Prime Minister Sato's standing and boosts the stock of the extreme leftists.

The national impact of the elections stems from the prestige value of the office. National party leaders participated actively in the campaigning. Sato thus will lose some of the prestige he gained from his party's victory in the Diet elections last January. Conversely, Minobe's victory will bolster the standing of the extremists who lead the Japan Socialist Party and will strengthen their belief that their doctrinaire Marxist line will eventually enable them to achieve national power.

The results are likely to bring little significant change in Tokyo. Sato retains major leverage for influencing the Tokyo situation through the national government's control of major aspects of local administration, including the police, and through its predominant financial powers. This will limit the leftists' capabilities for disruptive mass actions, such as against the US-Japan Security Treaty when it becomes subject to revision in 1970. Minobe, moreover, in his comments to the press this week, has sought to dispel apprehension that early mass demonstrations might result from his election. [redacted]

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Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

EUROPE

The East German party's Seventh Congress this week has been a rather drab exercise. The need to answer West German Chancellor Kiesinger's 12 April proposals for improving relations provided the only spark. Party boss Ulbricht came up with counter-proposals designed to be rejected. Consistent with recent practice, only Brezhnev and one East European party leader--Poland's Gomulka--came to the congress. Brezhnev's speech gave the East Germans no reason to doubt Moscow's continued support.

A meeting now is taking place in Czechoslovakia in preparation for the all-European Communist party conference there next week.

Discussions continued in Western Europe on the nonproliferation treaty (NPT) draft. The so-called "guillotine" clause of the draft, setting a time limit of three years for agreement between EURATOM and the International Atomic Energy Authority on safeguards, remains a major obstacle to approval of the treaty by the EURATOM countries. The EURATOM Commission has proposed providing for discussion of an acceptable safeguards system when the treaty comes up for its five-year review should no solution be reached in the interim.

[redacted] 25X1

Another contentious international issue--UN peacekeeping procedures--is a major agenda item for the special General Assembly session opening this week (see page 27), although Moscow apparently hoped to keep that issue out of this session with its recent promise of a voluntary contribution to a peacekeeping fund. [redacted] 25X1

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

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EURATOM DEBATES NPT SAFEGUARDS

The position of EURATOM, in connection with the proposed nuclear nonproliferation treaty (NPT), has become crucial to the success of the current effort to prevent the spread of nuclear weapons.

In order to prevent the diversion of fissionable materials to weapons uses, the proposed NPT would put the peaceful nuclear activities of nonnuclear signatories under the safeguard system administered by the International Atomic Energy Agency (IAEA). The NPT thus impinges upon the purview of EURATOM, since safeguarding within the Community is a function of the EURATOM Commission and is in fact a prime example of EURATOM's supranational status. Its inspections apply to the civilian nuclear installations of all the members, including those of France. By contrast, France--as a nuclear power--would be exempt from the safeguards projected by the NPT.

For most of the EURATOM members, the preservation of the Community safeguards system is important not only to EURATOM, but to the whole European integration movement, which is based on the principle of equal treatment of the members. The dilemma is to reconcile this with the need, which they also recognize, for an effective international inspection system as part of the NPT. While five of the EURATOM countries are willing to try to work out something with IAEA, even the Dutch, who are the most favorably inclined toward this, have asserted that their first obligation is to EURATOM.

The French, however, are a complicating factor. Although they do not intend to sign the NPT, they have nevertheless seemed to welcome it--because it would further restrict West Germany and because to oppose it might hurt Paris' relations with Moscow. On the other hand, Paris has consistently rejected the idea of IAEA "intrusion" into EURATOM affairs. Thus, the French--if they do not want the safeguards issue to block the NPT--would face the prospect of having to let EURATOM work out an arrangement with IAEA. This would give the EURATOM Commission a "political" role which De Gaulle has always wanted to avoid giving to Community institutions. Moreover, any eventual compromise would involve some modification of the present EURATOM safeguards inevitably having at least an indirect application to the French.

Whether the EURATOM Commission will be able to pick its

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way through these conflicting currents is difficult to say. Earlier this week, it offered to negotiate with the IAEA an agreement whereby IAEA would "verify" the effectiveness of EURATOM's safeguard system, but it categorically rejected the US proposal that IAEA controls would apply in the Community in the event no such agreement is reached within three years. As a counter-proposal, the commission suggested that if the safeguard question remained unresolved it should be part of the projected general review of the NPT after five years. This position has the support of the five other EURATOM members, but only the tacit consent of the French, and the US mission cautions that there are signs of growing French opposition to the role the commission is playing in trying to find such a compromise.

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SOVIET INDUSTRIAL GROWTH REGISTERS UPTURN IN FIRST QUARTER

Current estimates indicate that Soviet industrial output rose more sharply during the first quarter of 1967 than in any similar period in almost two years. There was an estimated rise of 8 1/2 percent in industrial output excluding military machinery and military items, and probably a somewhat larger increase in total industrial output. The increase was accounted for mostly by marked rises in the production of machinery and commercially processed foods. The upturn in foods production largely reflects last year's good harvest and does not necessarily reflect a permanent trend. Nevertheless, this upturn, taken together with the increasing output of soft goods and consumer durables, suggests that the USSR's 50th anniversary year may well be a good one for the consumer.

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SOVIET INDUSTRIAL GROWTH SHOWS UPTURN IN FIRST QUARTER OF 1967

(Percentage Change From Corresponding Period of Previous Year)

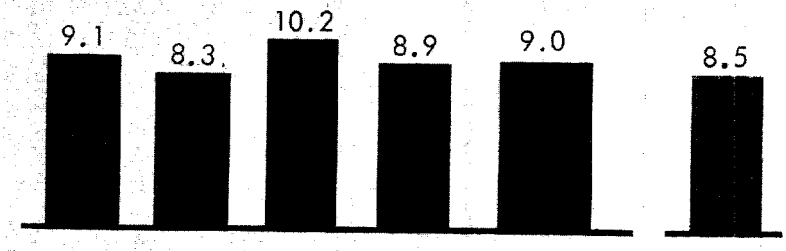
I TOTAL INDUSTRY (Civilian)*

	1961-64	1965	1966	1967
FIRST QUARTER	—	7½	7	8½
FULL YEAR	6½**	7	7½	7½ (PLAN)

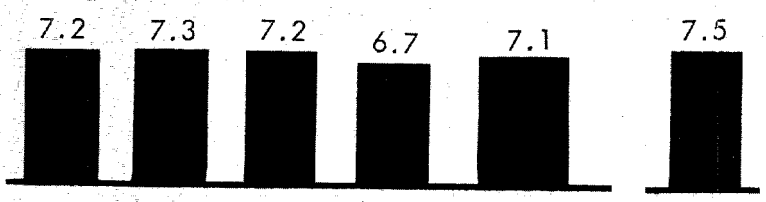
II MAJOR COMPONENTS OF INDUSTRY

1966 1967

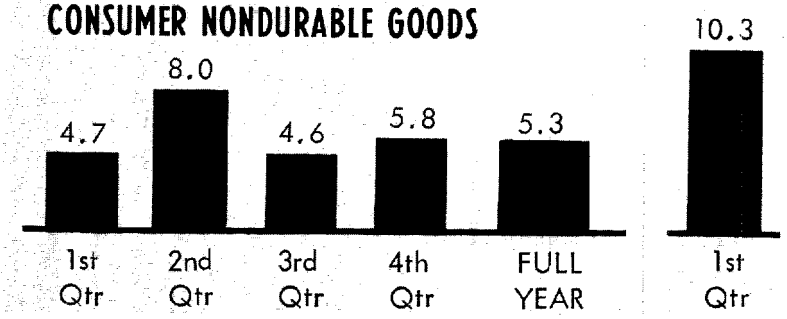
CIVILIAN MACHINERY



INDUSTRIAL MATERIALS



CONSUMER NONDURABLE GOODS



SELECTED COMMODITIES

Direction of Growth Rates***

Up: Metallurgical equipment
Electronics
Motor vehicles
Consumer durables

Down: Agricultural equipment
Oil equipment
Chemical equipment

Up: Forest products
Electric power

Steady: Fuels
Metals
Chemicals

Down: Construction materials

Up: Textiles
Leather footwear
Meat
Vegetable oil
Canned goods
Dairy products

* Figures rounded to nearest fractional half.

** Average annual rate of growth.

*** Indicates direction of rates of growth in first quarter of 1967 relative to annual rates of growth in 1966.

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Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

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Moscow released only limited data on the rate of growth and composition of machinery production, but these figures indicate a marked rise in the output of the durables which contribute most directly to military and space programs. The output of civilian machinery grew by an estimated 8 1/2 percent, a slight decline from the 9 percent for 1966 as a whole. When compared with Soviet-announced growth rates for machinery(which include military and space equipment,) this decline indicates that the growth of output in the defense industries in the first quarter must have been greater than in 1966. Moreover, within the civilian machinery sector, the defense-related category of instruments, automation equipment, and control systems accelerated its already rapid growth of 14 percent in 1966 to 16 percent in the first quarter of 1967.

The rate of increase in the output of chemical equipment was only 4 percent while that for metallurgical equipment was 17 percent, confirming the new regime's reversal of Khrushchev's policy of pushing chemical substitutes for metals.

A small increase in the growth rate for industrial materials during the first quarter was sparked by a sharp upturn in the output of forest products and a recovery in electric power generation probably associated with rising industrial demand.

The outlook for Soviet industrial production during the rest of the year is good. Uncertainties about the probable Soviet performance remain, however, stemming from continuing problems in bringing new capacity into production and from possible problems arising out ofthe Soviet intention to transfer the entire industrial complex to the new system of economic management by the end of 1968. The Soviet report is noticeably restrained on both these matters, omitting, as usual, comment on the progress of the investment plan and noting only that the enterprises operating under the reforms exceeded sales and profit goals. According to the report, about 2,500 enterprises have now transferred to the new system, including all the enterprises of the Ministry of Instrument Building, Automation Equipment, and Control Systems.

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Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

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President	Pal Losonczi *(formerly Minister of Agriculture)*	
Vice Presidents	Sandor Gaspar	Odon Kishazi
Secretary	Lajos Cseterki *(formerly Party Secretary)*	
Members	Sandor Barcs	Erno Mihalyfi
	Tibor Bartha	Daniel Nagy
	Valeria Benke	Laszlo Nanasi
	Istvan Dobi *(formerly President)*	Karoly Nemeth
	Ferenc Erdei	Gyula Ortutay
	Richard Horvath	Kalman Pongracz
	Janos Kadar	Istvan Salyi
	Gyula Kallai	Istvan Szabo
		Gyula Uszta

Premier	Jeno Fock *(formerly Deputy Premier)*	
Deputy Premiers	Miklos Ajtai *(formerly Chairman, National Planning Office)*	Lajos Feher
	Antal Apro	Matyas Timar *(formerly Minister of Finance)*

Ministers

Agriculture & Food	Imre Dimeny *(formerly Chief, Party Central Committee Department of Agriculture)*	Light Industry	Jozsefne Nagy
		Metallurgy & Machine Industry	Gyula Horgos
Construction & Urban Development	Rezso Trautmann	Transportation & Postal Affairs	Gyorgy Csanadi
Culture	Pal Ilku	Chairman, National Planning Office	Imre Pardi *(formerly Chief, Party Central Committee Department of National Economy)*
Defense	Lajos Czinege		
Finance	Peter Valyi *(formerly First Deputy Chairman, National Planning Office)*		
Foreign Affairs	Janos Peter	Chairman, National Technical Development Committee	Arpad Kiss
Foreign Trade	Jozsef Biro		
Health	Zoltan Szabo	Chairman, State Office for Church Affairs	Jozsef Prantner
Heavy Industry	Ferenc Levardi		
Interior	Andras Benkei	Chairman, Central Statistics Office	Gyorgy Peter
Internal Trade	Istvan Szurdi		
Justice	Mihaly Korom		
Labor	Jozsef Veres		

President	Gyula Kallai *(formerly Premier)*	
Vice Presidents	Miklos Beresztoczy	Istvanne Vass *(formerly President, National Assembly)*

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NEW OFFICIALS AND REORGANIZED MINISTRIES IN RED

SECRET
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HUNGARIAN REGIME SHIFTS PERSONNEL

Hungary's Janos Kadar, through a major party and government shake-up last week, has paved the way for further experimentation with political and economic reforms. The personnel shifts, which follow last month's parliamentary elections, were the most sweeping since 1961.

The economic reform program, liberal by Eastern European standards, goes into effect on 1 January 1968, and a number of technicians have been brought into the government to implement it. The program will be supervised by Jeno Fock, the country's leading economic planner, who now has replaced Gyula Kallai as premier. Fock is a politburo member with an impressive career in industrial planning, foreign trade, and trade union administration. He will be supported by four deputy premiers, two of them just appointed, who have extensive economic backgrounds and who helped plan the new economic mechanism.

Kadar also plans gradually to change the role of the party to that of a guide rather than the ubiquitous administrator of government activity--a reform already under way in Yugoslavia. This will require raising the competence of the state organs; the transfer of three party central committee department chiefs--all capable functionaries--to positions under the council of ministers was for this purpose.

Regime spokesmen have also indicated that the national assembly in the future will have a more genuine responsibility for legislation and will have control over the presidential council and the work of the government, including some authority over cabinet members and government agencies. Kallai, in his inaugural speech as the new president of parliament, made a major point of this and asked greater participation by the deputies in committee work. While Kallai's new appointment appears to be a demotion, regime spokesmen have indicated that it was primarily designed to enhance the prestige of the parliament.

The regime also hopes to improve economic performance by combining the former ministries of agriculture and of food with several other state offices in related fields to form a new, streamlined ministry of agriculture and food. A similar reorganization was effected by subordinating scattered cabinet organs responsible for town planning and development to the ministry of construction, to be renamed the ministry of construction and urban development.

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MIDDLE EAST - AFRICA

The Kanellopoulos government in Greece has scheduled elections for 28 May, and the campaign is likely to revolve around the issue of the monarchy. There are reports that the main antimonarchist, Andreas Papandreou, may be arrested, a move which would provoke further unrest.

The national elections in Jordan on 15 April for the 60-seat House of Representatives went off without serious incident, and the regime appears to have in hand what it wanted--a manageable parliament which is somewhat short of being a rubber stamp. Incidents continue along the Arab-Israeli border, and the wrangle over farming in the demilitarized zones is keeping tension high.

The perennial dispute over the status of South-West Africa will occupy the major part of the debate at the special session of the UN General Assembly opening this week (see page 27).

The latest move in Nigeria's continuing crisis is another decree from the Eastern Region taking control of federally chartered corporations in such fields as electricity, transportation, broadcasting, and produce marketing. The East probably does not intend to withdraw formally from the federation at this time, but the region will continue to try to provoke the federal government into actions that would make secession appear justified.

Addis Ababa has begun to withdraw the 3,000 Ethiopian troops sent to the French Somaliland border prior to the 19 March referendum, and the Emperor thus can claim to have taken the first step to reduce tension between his country and its arch-antagonist, the Somali Republic.

Calm has returned to Ghana after the abortive coup attempt of 17 April, but the regime's image of stability has been seriously damaged.

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Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

COUP ATTEMPT IN GHANA CRUSHED

Ghana's governing National Liberation Council (NLC) is in firm control in the wake of an abortive coup attempt on 17 April by junior army officers. The image of national stability imparted by the NLC has been seriously damaged, however, and the killing of its most important military member has produced a power vacuum within the ruling junta.

The rebels gained temporary control of Ghana radio and the residences of NLC chairman Ankrah and Armed Forces Commander Kotoka, announced the dissolution of the NLC, and proclaimed the establishment of a new three-man military junta. Ankrah managed to escape, but Kotoka was killed. After the initial confusion, police chief Harlley, NLC vice chairman, and Maj. Gen. Ocran, armed forces chief of staff, organized loyal forces and quickly suppressed the mutiny.

The coup attempt was poorly planned and executed. The limited number of troops which supported it came from one unit of the army's reconnaissance regiment. The prime organizer appears to have been a lieutenant from that unit. It is unclear to what extent the three senior officers named to the would-be junta participated in planning the coup.

The reasons for the coup are not apparent, but the instigators may have been motivated primarily by personal and perhaps tribal considerations. There have been some morale problems--aggravated by NLC neglect of the military--and an undercurrent of tribal resentment among junior officers and men. The coup seems to have no connection with exiled former president Nkrumah's comeback schemes.

The abortive coup and especially the death of Kotoka, whose troops overthrew Nkrumah last year, will have a profound psychological impact on the surviving NLC members. They probably will mete out exemplary punishment to all plotters, try to correct the grave weaknesses revealed in their intelligence and internal security systems, and ameliorate any serious grievances in the armed forces. Council members, however, probably feel somewhat reassured by the fact that all senior military officers rallied to the regime and that the public appeared genuinely relieved when the NLC regained control.

Although the NLC is seeking to play down the significance of the coup attempt, it will probably find it more difficult to cope with Ghana's massive problems. Friction may well develop between police and military officers of the NLC as well as among military members vying for Kotoka's position. Civilian political elements, particularly those attracted to the former opposition United Party, will probably feel that their criticism of the NLC has been vindicated and may increase their pressure to speed the transition to civilian rule.

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INDIAN CONGRESS PARTY GOVERNMENT ROCKS ALONG

Few political observers in New Delhi expect Prime Minister Gandhi's Congress Party government to last out its full five-year term, but to date its slim majority in the lower house of the National Parliament remains intact. Political instability on the state level has eased somewhat, although new changes may be in the making.

The defections from state Congress Party organizations that recently toppled two Congress state governments have not yet spread to New Delhi, where state factional alignments still pose no threat to Congress' majority in Parliament. The moderates in the several opposition parties--most notably the Hindu nationalist Jan Sangh and the conservative Swatantra--continue to push for greater cooperation in forming a united front against the Congress, but so far have made little headway. Thus, defection by Congress members of Parliament means either political wilderness or a new election--prospects which few of them would welcome.

The election of India's new president and vice president on 6 May will be the first major national test of strength between Congress and the opposition parties. The Congress candidate for vice president, V. V. Giri, should win handily because of the party's substantial majority among the elected members of both houses of Parliament who will make the selection.

Communal and regional factors and the different composition of the electoral college make the result of the presidential contest less certain. The Congress Party's candidate is a Moslem, and Hindu defections could be hidden from the party hierarchy by the secret ballot of the presidential electoral college--the elected members of both houses of the National Parliament plus the state legislatures. A complicated system of weighted voting further confuses the picture.

Defeat of the Congress candidate for president--incumbent Vice President Husain--would be a serious blow to party prestige and could even threaten the stability of the central government. In any case, it would make it harder than ever for Prime Minister Gandhi to maintain her position within the party because she strongly backed Husain's candidacy against the wishes of party president Kamaraj.

The recent rash of defections from Congress state organizations seems to have run its course for the present. Congress, moreover, now stands a chance of recovering control of the Punjabi Suba government. In Rajasthan--presently under direct rule from New Delhi--Congress leaders reportedly still hope to form a government without resorting to an interim election. On the other hand, long-range prospects for a stable Congress government in the southern state of Mysore are increasingly doubtful.

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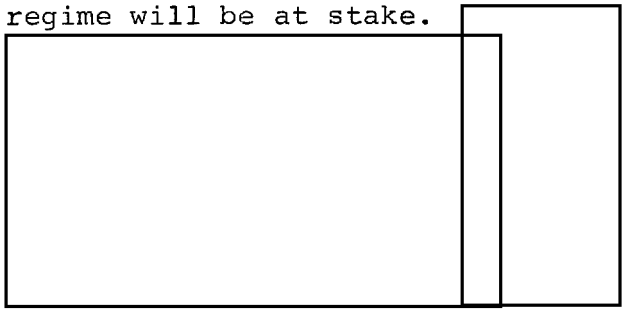
GREECE GETS SET FOR NEW ELECTIONS

Prime Minister Kanellopoulos' decision to dissolve Parliament and hold new elections on 28 May has thrown Greece into a month-and-a-half-long political campaign in which the position of the monarchy will be a major issue.

The scheduling of the elections has, at least temporarily, calmed the political atmosphere as all parties swing from parliamentary maneuvering to preparation of lists of candidates. Ex-premier George Papandreou, whom King Constantine forced out of office in 1965, and his son Andreas have attacked the King for his second "coup d'etat"--elections under a National Radical Union (ERE) government rather than a nonpolitical cabinet. Both the Papandreous' Center Union (EK) and the Communist-front United Democratic Left (EDA), however, appear anxious to avoid any action which would cause strong counteraction by the security forces or give an excuse for postponing the elections.

With Kanellopoulos as administrator of the elections, his ERE party will have the advantage of being in power. Public reaction against government manipulation of this favorable position, however, could strengthen George Papandreou, who has predicted an even greater victory for the EK than the 53 percent of the popular vote he polled in 1964. He will get the election campaign under way with a major speech scheduled for 23 March and has indicated that its keynote will be that Constantine is no longer King of the Hellenes but only of the ERE.

Andreas Papandreou has already warned publicly that if the elections are not honest the regime will be at stake. 25X1



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As the pre-electoral pressures grow, the prospects of a victory by the EK and the consequent strengthening of Andreas Papandreou's position are likely to increase sentiment among the military and the right-wing politicians favoring an extra-constitutional solution to the problem.

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Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

Approved For Release 2007/03/07 : CIA-RDP79-00927A005700090001-2

WESTERN HEMISPHERE

Most Latin American leaders returned home from last week's summit meeting apparently at least generally satisfied with its results; public reaction, however, has ranged in tone from mildly approving to highly negative. The Argentine foreign minister's comment appeared to summarize much of the hemisphere's sentiment: "All that could be reasonably expected was accomplished."

Public media and returning presidents alike reserved some of their most enthusiastic comments for the side benefits of the summit meeting. Thus, the individual presidents' discussions with President Johnson and other chief executives on topics of overriding local importance--Venezuela's oil exports, Panama's desire for rapid completion of a new canal treaty with the US, coffee-producing countries' concern over the International Coffee Agreement--were widely hailed.

The refusal of Ecuadorean President Arosemena to sign the final summit declaration was largely played down outside his own country and was deprecated by some as an ill-timed slap at inter-American solidarity. World Communist propaganda media were quick to seize upon Arosemena's actions as telling indications that the conference was a failure and to claim that this represented a heavy blow to US leadership in the hemisphere. Most Communist spokesmen stressed that insurgency and political problems rather than economic and social development were the real issues at stake in the meeting.

Conditions in Uruguay, the host country for the summit meeting, have returned virtually to normal. Some 150 leftist students, however, are still holed up in a downtown Montevideo university building where they barricaded themselves as a protest measure during the conference, and they may yet cause further problems for the Gestido government. 25X1

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POLITICAL SPOTLIGHT SHIFTS IN ECUADOR

Interim President Otto Arosemena's refusal to sign the summit declaration has received enthusiastic acclaim in Ecuador. A large crowd greeted him on his return and cheered his statement that he did not sign the declaration because it "is defective for what it did not state or contain." The Ecuadorean press, leading politicians, and government officials were full of praise for Arosemena's stand throughout the conference, and the constituent assembly passed a "vote of support" for Arosemena's actions, noting that he "interpreted faithfully and loyally the sentiments and aspirations of the Ecuadorean people." Arosemena has thus become something of a national hero for "standing up to the US," and his political star has risen accordingly.

Arosemena's performance at Punta del Este has temporarily removed domestic problems from the spotlight. The country continues to be plagued, however, by strikes and threats of strikes which have tied up commerce from time to time and which have promoted widespread uneasiness. The Communist-dominated Confederation of Ecuadorean Workers (CTE) postponed a general strike scheduled for 13 April after the government capitulated to its demand that the constituent assembly take prompt action on the workers' grievances. The failure of the government to stand up to the CTE illustrates its habit of giving in rather than facing a problem or possible trouble.

The constituent assembly continues to allow demagogic ex-president Carlos Julio Arosemena, Otto's cousin, to push his vendetta against members of the former military junta that ousted him. General Gandara and Admiral Castro Jijon took asylum in foreign embassies on 14 April to avoid Supreme Court warrants for their arrest in connection with the death of a student during demonstrations at Quito's Central University on 25 March 1966. Carlos Julio Arosemena is attempting to keep them from leaving the country on grounds that they are common criminals. Senior military officers say privately that there is nothing they can or should do about Arosemena's actions or the plight of their fellow officers.

Delegates to the constituent assembly from Ecuador's coastal provinces are pushing a bill that would impose a fine of up to $30,000 on foreign vessels caught fishing without authorization within the 200-mile territorial limit over which Ecuador claims jurisdiction. The measure has a good chance of being enacted. The US tuna fleet is now on the way to Ecuadorean waters, and Ecuador will probably seize a few of the boats as it did last January.

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PANAMANIAN REACTION TO JOHNSON-ROBLES TALKS

Officials of the Panamanian Government who discussed the canal negotiations with President Johnson at Punta del Este returned to Panama in a euphoric mood.

During a homecoming speech on 15 April, President Robles stated that he was "elated" over his meeting with President Johnson, who "grasped our problem" and "manifested great sympathy toward resolving the outstanding issues." Other members of the Panamanian delegation voiced renewed optimism that the negotiations can be concluded within the time limits set by the government.

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[redacted] the Panamanian public had expected more concrete results from the meeting. Some editorials lamented the absence of a joint statement and called for a complete revelation of the details of the meeting.

News media reaction to the Johnson-Robles talks took a predictably partisan line. Press and radio facilities owned by leaders of the government coalition were, in general, laudatory of Robles' accomplishments. Opposition leaders and the Arias family press played down the talks as "vague and unsatisfactory" and gave full play to a recent statement by Arnulfo Arias that Robles did not represent the country's majority and had no right to speak for them at Punta del Este.

In a recent radio interview, ultranationalist former treaty negotiator Eloy Benedetti stated that the time lapse since the anti-US riots in January 1964 was a net loss to Panama's bargaining position and diplomatic victory for the US. While advising against a repetition of the rioting as "impossible and too dangerous" Benedetti voiced the opinion that if the talks became deadlocked, Panama should break off the negotiations.

During the 27-month-old negotiations Robles has repeatedly assured the public that the talks were "going well." Although he has undoubtedly gained some political mileage and prestige from his meeting with President Johnson, Robles will be hard-pressed to keep the negotiations out of the political arena as campaigning for the 1968 elections picks up. [redacted]

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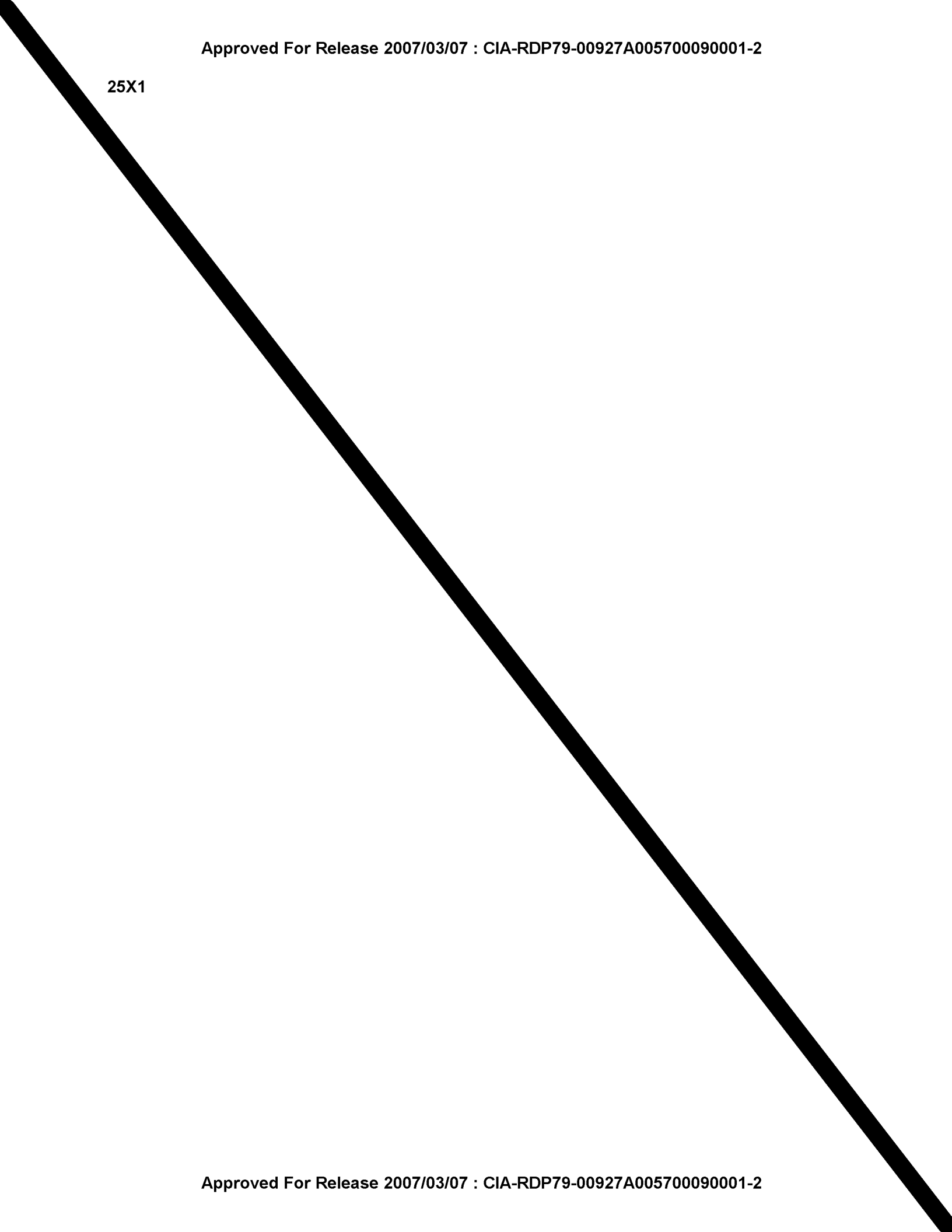

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UNITED NATIONS

SPECIAL SESSION OF UN GENERAL ASSEMBLY CONVENED

The Special Session of the UN General Assembly opening this week is unlikely to make much progress on either of the major items on its agenda--South-West Africa and peacekeeping procedures. The session is expected to last about a month, most of it devoted to South-West Africa. Most delegates are reluctant to face a debate on these complicated issues and believe nothing can be accomplished, but none of them is willing to offend the Africans by moving for a postponement.

The special committee set up last fall to study means to implement the General Assembly resolution divesting South Africa of its South-West Africa mandate reached no agreement. The committee's report will merely summarize its discussions. The Africans on the committee have called for immediate establishment of a UN administration in the territory and, if South Africa resists, for coercive action under Chapter VII of the UN Charter. Most UN members, however, are not eager for such a confrontation with South Africa. The Latin Americans have a plan similar to the African one, but without the enforcement measures; theirs calls instead for some sort of dialogue with Pretoria on transfer of the territory. A proposal put forth by Italy, Canada, and the US would ask a special representative to survey the situation and leave the problem of implementation to the next assembly.

Some sort of compromise along the lines of the Latin American plan seems the most likely to get a majority. The Africans might come to see this as the best they can hope for. South Africa's recent announcement of its willingness to offer eventual self-government to the "separate peoples" of South-West Africa has complicated matters. The black Africans suspect that Pretoria actually has in mind annexation of the valuable white areas of South-West Africa.

The committee on peacekeeping likewise has little to show for its work since December. The nonaligned members are trying to get approval of a committee report which appeals for voluntary financial contributions, recommends that developing countries pay no more than five percent of future peacekeeping costs, and asks for further study of the problem. This would be in lieu of Canadian and Irish

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resolutions--which might again come up at this session--that would give the assembly a role in peacekeeping should the Security Council be unable to act, as well as a role in financing such operations.

The USSR's recent promise of a voluntary contribution appears to have been intended to win support for a postponement or curtailment of any discussion of peacekeeping proposals at this session. A recent Soviet memorandum to the Security Council on peacekeeping warned against adoption of the Canadian or Irish proposals, stating that continued efforts to circumvent the Security Council "would compel the Soviet Union to reconsider its attitude toward activities of the UN." 25X1

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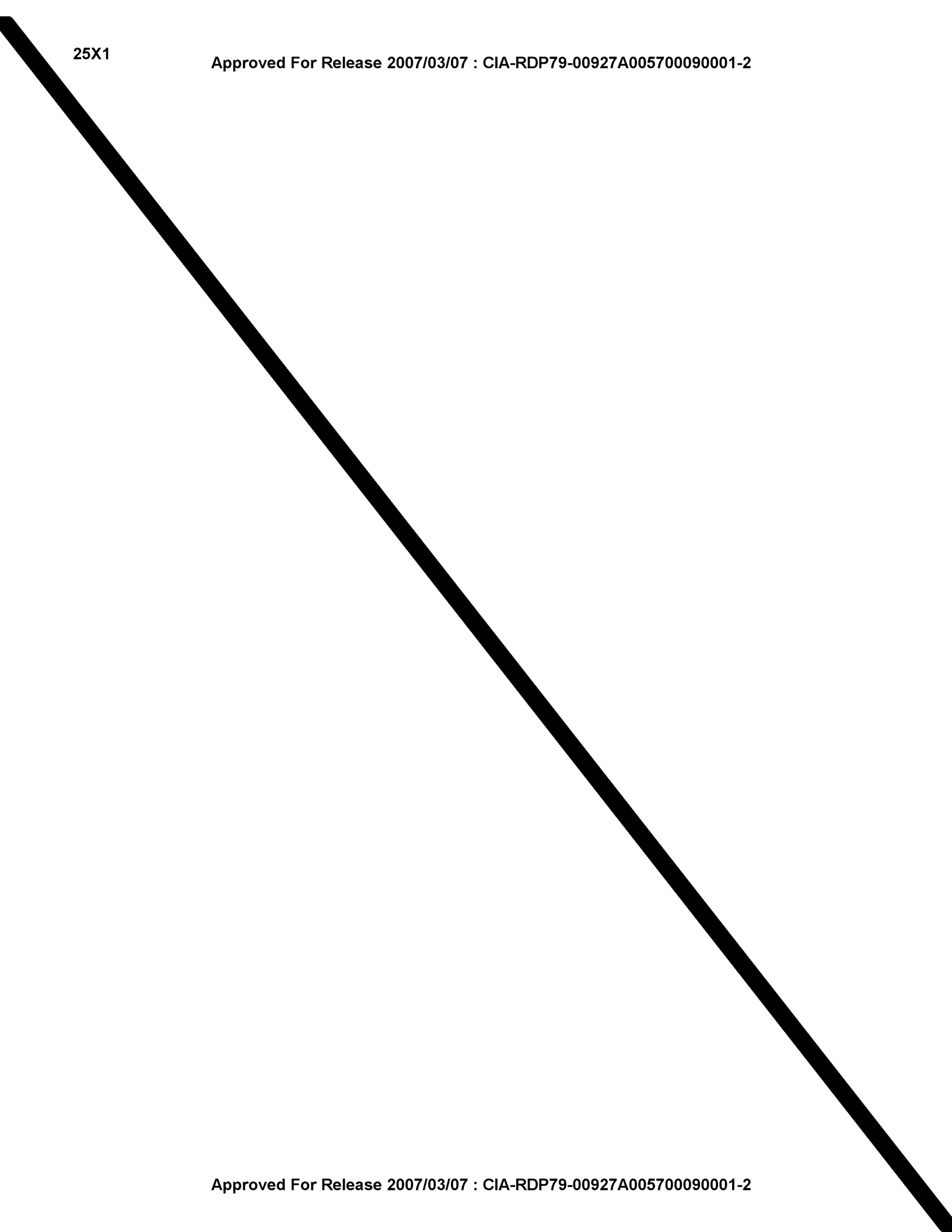

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